

106TH CONGRESS
1ST SESSION

S. 305

To reform unfair and anticompetitive practices in the professional boxing industry.

IN THE SENATE OF THE UNITED STATES

JANUARY 25, 1999

Mr. MCCAIN (for himself and Mr. BRYAN) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

A BILL

To reform unfair and anticompetitive practices in the professional boxing industry.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Muhammad Ali Boxing
5 Reform Act”.

6 **SEC. 2. FINDINGS.**

7 The Congress makes the following findings:

8 (1) Professional boxing differs from other
9 major, interstate professional sports industries in
10 the United States in that it operates without any

1 private sector association, league, or centralized in-
2 dustry organization to establish uniform and appro-
3 priate business practices and ethical standards. This
4 has led to repeated occurrences of disreputable and
5 coercive business practices in the boxing industry, to
6 the detriment of professional boxers nationwide.

7 (2) Professional boxers are vulnerable to ex-
8 ploitative business practices engaged in by certain
9 promoters and sanctioning bodies which dominate
10 the sport. Boxers do not have an established rep-
11 resentative group to advocate for their interests and
12 rights in the industry.

13 (3) State officials are the proper regulators of
14 professional boxing events, and must protect the wel-
15 fare of professional boxers and serve the public in-
16 terest by closely supervising boxing activity in their
17 jurisdiction. State boxing commissions do not cur-
18 rently receive adequate information to determine
19 whether boxers competing in their jurisdiction are
20 being subjected to contract terms and business prac-
21 tices which may be violative of State regulations, or
22 are onerous and confiscatory.

23 (4) Promoters who engage in illegal, coercive,
24 or unethical business practices can take advantage
25 of the lack of equitable business standards in the

1 sport by holding boxing events in states with weaker
2 regulatory oversight.

3 (5) The sanctioning organizations which have
4 proliferated in the boxing industry have not estab-
5 lished credible and objective criteria to rate profes-
6 sional boxers, and operate with virtually no industry
7 or public oversight. Their ratings are susceptible to
8 manipulation, have deprived boxers of fair opportu-
9 nities for advancement, and have undermined public
10 confidence in the integrity of the sport.

11 (6) Open competition in the professional boxing
12 industry has been significantly interfered with by re-
13 strictive and anti-competitive business practices of
14 certain promoters and sanctioning bodies, to the det-
15 riment of the athletes and the ticket-buying public.
16 Common practices of promoters and sanctioning or-
17 ganizations represent restraints of interstate trade
18 in the United States.

19 (7) It is necessary and appropriate to establish
20 national contracting reforms to protect professional
21 boxers and prevent exploitative business practices,
22 and to require enhanced financial disclosures to
23 State athletic commissions to improve the public
24 oversight of the sport.

1 (8) Whereas the Congress seeks to improve the
2 integrity and ensure fair practices of the profes-
3 sional boxing industry on a nationwide basis, it
4 deems it appropriate to name this reform in honor
5 of Muhammad Ali, whose career achievements and
6 personal contributions to the sport, and positive im-
7 pact on our society, are unsurpassed in the history
8 of boxing.

9 **SEC. 3. PURPOSES.**

10 The purposes of this Act are—

11 (1) to protect the rights and welfare of profes-
12 sional boxers by preventing certain exploitative, op-
13 pressive, and unethical business practices they may
14 be subject to on an interstate basis;

15 (2) to assist State boxing commissions in their
16 efforts to provide more effective public oversight of
17 the sport; and

18 (3) to promote honorable competition in profes-
19 sional boxing and enhance the overall integrity of
20 the industry.

21 **SEC. 4. PROTECTING BOXERS FROM EXPLOITATION.**

22 The Professional Boxing Safety Act of 1996 (15
23 U.S.C. 6301 et seq.) is amended by—

24 (1) redesignating section 15 as 16; and

25 (2) inserting after section 14 the following:

1 **“SEC. 15. PROTECTION FROM EXPLOITATION.**

2 “(a) CONTRACT REQUIREMENTS.—

3 “(1) IN GENERAL.—Any contract between a
4 boxer and a promoter or manager shall—

5 “(A) include mutual obligations between
6 the parties;

7 “(B) specify a minimum number of profes-
8 sional boxing matches per year for the boxer;
9 and

10 “(C) set forth a specific period of time
11 during which the contract will be in effect, in-
12 cluding any provision for extension of that pe-
13 riod due to the boxer’s temporary inability to
14 compete because of an injury or other cause.

15 “(2) 1-YEAR LIMIT ON COERCIVE PROMOTIONAL
16 RIGHTS.—

17 “(A) The period of time for which pro-
18 motional rights to promote a boxer may be
19 granted under a contract between the boxer and
20 a promoter, or between promoters with respect
21 to a boxer, may not be greater than 12 months
22 in length if the boxer is required to grant such
23 rights, or a boxer’s promoter is required to
24 grant such rights with respect to a boxer, as a
25 condition precedent to the boxer’s participation

1 in a professional boxing match against another
2 boxer who is under contract to the promoter.

3 “(B) A promoter exercising promotional
4 rights with respect to such boxer during the 12-
5 month period beginning on the day after the
6 last day of the promotional right period de-
7 scribed in subparagraph (A) may not secure ex-
8 clusive promotional rights from the boxer’s op-
9 ponents as a condition of participating in a pro-
10 fessional boxing match against the boxer, and
11 any contract to the contrary—

12 “(i) shall be considered to be in re-
13 straint of trade and contrary to public pol-
14 icy; and

15 “(ii) unenforceable.

16 “(C) Nothing in this paragraph shall be
17 construed as pre-empting any State law con-
18 cerning interference with contracts.

19 “(3) PROMOTIONAL RIGHTS UNDER MANDA-
20 TORY BOUT CONTRACTS.—Neither a promoter nor a
21 sanctioning organization may require a boxer, in a
22 contract arising from a professional boxing match
23 that is a mandatory bout under the rules of the
24 sanctioning organization, to grant promotional rights

1 to any promoter for a future professional boxing
2 match.

3 “(b) EMPLOYMENT AS CONDITION OF PROMOTION,
4 ETC.—No person who is a licensee, manager, match-
5 maker, or promoter may require a boxer to employ, retain,
6 or provide compensation to any individual or business en-
7 terprise (whether operating in corporate form or not) rec-
8 ommended or designated by that person as a condition
9 of—

10 “(1) such person’s working with the boxer as a
11 licensee, manager, matchmaker, or promoter;

12 “(2) such person’s arranging for the boxer to
13 participate in a professional boxing match; or

14 “(3) such boxer’s participation in a professional
15 boxing match.

16 “(c) ENFORCEMENT.—

17 “(1) PROMOTION AGREEMENT.—A provision in
18 a contract between a promoter and a boxer, or be-
19 tween promoters with respect to a boxer, that vio-
20 lates subsection (a) is contrary to public policy and
21 unenforceable at law.

22 “(2) EMPLOYMENT AGREEMENT.—In any ac-
23 tion brought against a boxer to recover money
24 (whether as damages or as money owned) for acting
25 as a licensee, manager, matchmaker, or promoter for

1 the boxer, the court, arbitrator, or administrative
 2 body before which the action is brought may deny
 3 recovery in whole or in part under the contract as
 4 contrary to public policy if the employment, reten-
 5 tion, or compensation that is the subject of the ac-
 6 tion was obtained in violation of subsection (b).”.

7 (b) CONFLICTS OF INTEREST.—Section 9 of such Act
 8 (15 U.S.C. 6308) is amended by—

9 (1) striking “No member” and inserting “(a)
 10 REGULATORY PERSONNEL.—No member”; and

11 (2) adding at the end thereof the following:

12 “(b) FIREWALL BETWEEN PROMOTERS AND MAN-
 13 AGERS.—

14 “(1) IN GENERAL.—It is unlawful for—

15 “(A) a promoter to have a direct or indi-
 16 rect financial interest in the management of a
 17 boxer; or

18 “(B) a manager—

19 “(i) to have a direct or indirect finan-
 20 cial interest in the promotion of a boxer; or

21 “(ii) to be employed by or receive
 22 compensation or other benefits from a pro-
 23 moter,

24 except for amounts received as consideration
 25 under the manager’s contract with the boxer.

1 “(2) EXCEPTION FOR SELF-PROMOTION AND
2 MANAGEMENT.—Paragraph (1) does not prohibit a
3 boxer from acting as his own promoter or man-
4 ager.”.

5 **SEC. 5. SANCTIONING ORGANIZATION INTEGRITY RE-**
6 **FORMS.**

7 (a) IN GENERAL.—The Professional Boxing Safety
8 Act of 1996 (15 U.S.C. 6301 et seq.), as amended by sec-
9 tion 4 of this Act, is amended by—

10 (1) redesignating section 16, as redesignated by
11 section 4 of this Act, as section 17; and

12 (2) by inserting after section 15 the following:

13 **“SEC. 16. SANCTIONING ORGANIZATIONS.**

14 “(a) OBJECTIVE CRITERIA.—A sanctioning organiza-
15 tion that sanctions professional boxing matches on an
16 interstate basis shall establish objective and consistent
17 written criteria for the ratings of professional boxers.

18 “(b) APPEALS PROCESS.—A sanctioning organization
19 shall establish and publish an appeals procedure that af-
20 fords a boxer rated by that organization a reasonable op-
21 portunity, without the payment of any fee, to submit infor-
22 mation to contest its rating of the boxer. Under the proce-
23 dure, the sanctioning organization shall, within 14 days
24 after receiving a request from a boxer questioning that
25 organization’s rating of the boxer—

1 “(1) provide to the boxer a written explanation
2 of the organization’s criteria, its rating of the boxer,
3 and the rationale or basis for its rating (including
4 a response to any specific questions submitted by the
5 boxer); and

6 “(2) submit a copy of its explanation to the
7 President of the Association of Boxing Commissions
8 of the United States and to the boxing commission
9 of the boxer’s domiciliary State.

10 “(c) NOTIFICATION OF CHANGE IN RATING.—If a
11 sanctioning organization changes its rating of a boxer who
12 is included, before the change, in the top 10 boxers rated
13 by that organization, then, within 14 days after changing
14 the boxer’s rating, the organization shall—

15 “(1) mail notice of the change and a written ex-
16 planation of the reasons for its change in that box-
17 er’s rating to the boxer at the boxer’s last known ad-
18 dress;

19 “(2) post a copy, within the 14-day period, of
20 the notice and the explanation on its Internet
21 website or homepage, if any, for a period of not less
22 than 30 days; and

23 “(3) mail a copy of the notice and the expla-
24 nation to the President of the Association of Boxing
25 Commissions.

1 “(d) PUBLIC DISCLOSURE.—

2 “(1) FTC FILING.—Not later than January
3 31st of each year, a sanctioning organization shall
4 submit to the Federal Trade Commission—

5 “(A) a complete description of the organi-
6 zation’s ratings criteria, policies, and general
7 sanctioning fee schedule;

8 “(B) the bylaws of the organization;

9 “(C) the appeals procedure of the organi-
10 zation; and

11 “(D) a list and business address of the or-
12 ganization’s officials who vote on the ratings of
13 boxers.

14 “(2) FORMAT; UPDATES.—A sanctioning orga-
15 nization shall—

16 “(A) provide the information required
17 under paragraph (1) in writing, and, for any
18 document greater than 2 pages in length, also
19 in electronic form; and

20 “(B) promptly notify the Federal Trade
21 Commission of any material change in the in-
22 formation submitted.

23 “(3) FTC TO MAKE INFORMATION AVAILABLE
24 TO PUBLIC.—The Federal Trade Commission shall
25 make information received under this subsection

1 available to the public. The Commission may assess
2 sanctioning organizations a fee to offset the costs it
3 incurs in processing the information and making it
4 available to the public.

5 “(4) INTERNET ALTERNATIVE.—In lieu of sub-
6 mitting the information required by paragraph (1)
7 to the Federal Trade Commission, a sanctioning or-
8 ganization may provide the information to the public
9 by maintaining a website on the Internet that—

10 “(A) is readily accessible by the general
11 public using generally available search engines
12 and does not require a password or payment of
13 a fee for full access to all the information;

14 “(B) contains all the information required
15 to be submitted to the Federal Trade Commis-
16 sion by paragraph (1) in an easy to search and
17 use format; and

18 “(C) is updated whenever there is a mate-
19 rial change in the information.”.

20 (b) CONFLICT OF INTEREST.—Section 9 of such Act
21 (15 U.S.C. 6308), as amended by section 4 of this Act,
22 is amended by adding at the end thereof the following:

23 “(c) SANCTIONING ORGANIZATIONS.—

24 “(1) PROHIBITION ON RECEIPTS.—Except as
25 provided in paragraph (2), no officer or employee of

1 a sanctioning organization may receive any com-
2 pensation, gift, or benefit directly or indirectly from
3 a promoter, boxer, or manager.

4 “(2) EXCEPTIONS.—Paragraph (1) does not
5 apply to—

6 “(A) the receipt of payment by a promoter,
7 boxer, or manager of a sanctioning organiza-
8 tion’s published fee for sanctioning a profes-
9 sional boxing match or reasonable expenses in
10 connection therewith if the payment is reported
11 to the responsible boxing commission under sec-
12 tion 17; or

13 “(B) the receipt of a gift or benefit of de
14 minimis value.”.

15 (c) SANCTIONING ORGANIZATION DEFINED.—Sec-
16 tion 2 of the Professional Boxing Safety Act of 1996 (15
17 U.S.C. 6301) is amended by adding at the end thereof
18 the following:

19 “(11) SANCTIONING ORGANIZATION.—The term
20 ‘sanctioning organization’ means an organization
21 that sanctions professional boxing matches in the
22 United States—

23 “(A) between boxers who are residents of
24 different States; or

1 “(B) that are advertised, otherwise pro-
 2 moted, or broadcast (including closed circuit
 3 television) in interstate commerce.”.

4 **SEC. 6. PUBLIC INTEREST DISCLOSURES TO STATE BOXING**
 5 **COMMISSIONS.**

6 (a) IN GENERAL.—The Professional Boxing Safety
 7 Act of 1996 (15 U.S.C. 6301 et seq.), as amended by sec-
 8 tion 5 of this Act, is amended by—

9 (1) redesignating section 17 as redesignated by
 10 section 5 of this Act, as section 18; and

11 (2) by inserting after section 16 the following:

12 **“SEC. 17. REQUIRED DISCLOSURES TO STATE BOXING COM-**
 13 **MISSIONS.**

14 “(a) SANCTIONING ORGANIZATIONS.—Before sanc-
 15 tioning a professional boxing match in a State, a sanction-
 16 ing organization shall provide to the boxing commission
 17 of, or responsible for sanctioning matches in, that State
 18 a written statement of—

19 “(1) all charges, fees, and costs the organiza-
 20 tion will assess any boxer participating in that
 21 match;

22 “(2) all payments, benefits, complimentary ben-
 23 efits, and fees the organization will receive for its af-
 24 filiation with the event, from the promoter, host of
 25 the event, and all other sources; and

1 “(3) such additional information as the commis-
2 sion may require.

3 “(b) PROMOTERS.—Before a professional boxing
4 match organized, promoted, or produced by a promoter
5 is held in a State, the promoter shall provide a statement
6 in writing to the boxing commission of, or responsible for
7 sanctioning matches in, that State—

8 “(1) a copy of any agreement in writing to
9 which the promoter is a party with any boxer par-
10 ticipating in the match;

11 “(2) a statement made under penalty of perjury
12 that there are no other agreements, written or oral,
13 between the promoter and the boxer with respect to
14 that match; and

15 “(3) a statement in writing of—

16 “(A) all fees, charges, and expenses that
17 will be assessed by or through the promoter on
18 the boxer pertaining to the event, including any
19 portion of the boxer’s purse that the promoter
20 will receive, and training expenses; and

21 “(B) all payments, gift, or benefits the
22 promoter is providing to any sanctioning orga-
23 nization affiliated with the event.

24 “(c) INFORMATION TO BE AVAILABLE TO STATE AT-
25 TORNEY GENERAL.—A promoter shall make information

1 received under this section available to the chief law en-
 2 forcement officer of the State in which the match is to
 3 be held upon request.

4 “(d) EXCEPTION.—The requirements of this section
 5 do not apply in connection with a professional boxing
 6 match scheduled to last less than 10 rounds.”.

7 **SEC. 7. ENFORCEMENT.**

8 Section 10 of the Professional Boxing Safety Act of
 9 1996 (15 U.S.C. 6309) is amended by—

10 (1) inserting a comma and “other than section
 11 9(b), 15, 16, or 17,” after “this Act” in subsection
 12 (b)(1);

13 (2) redesignating paragraphs (2) and (3) of
 14 subsection (b) as paragraphs (3) and (4), respec-
 15 tively, and inserting after paragraph (1) the follow-
 16 ing:

17 “(2) VIOLATION OF ANTI-EXPLOITATION, SANC-
 18 TIONING ORGANIZATION, OR DISCLOSURE PROVI-
 19 SIONS.—Any person who knowingly violates any pro-
 20 vision of section 9(b), 15, 16, or 17 of this Act shall,
 21 upon conviction, be imprisoned for not more than 1
 22 year or fined not more than—

23 “(A) \$100,000; and

24 “(B) if the violations occur in connection
 25 with a professional boxing match the gross rev-

1 enues for which exceed \$2,000,000, such addi-
2 tional amount as the court finds appropriate,
3 or both.”; and

4 (3) adding at the end thereof the following:

5 “(c) ACTIONS BY STATES.—Whenever the chief law
6 enforcement officer of any State has reason to believe that
7 a person or organization is engaging in practices which
8 violate any requirement of this Act, the State, as *parens*
9 *patriae*, may bring a civil action on behalf of its residents
10 in an appropriate district court of the United States—

11 “(1) to enjoin the holding of any professional
12 boxing match which the practice involves;

13 “(2) to enforce compliance with this Act;

14 “(3) to obtain the fines provided under sub-
15 section (b) or appropriate restitution; or

16 “(4) to obtain such other relief as the court
17 may deem appropriate.

18 “(d) PRIVATE RIGHT OF ACTION.—Any boxer who
19 suffers economic injury as a result of a violation of any
20 provision of this Act may bring an action in the appro-
21 priate Federal or State court and recover the damages suf-
22 fered, court costs, and reasonable attorneys fees and ex-
23 penses.”.

1 **SEC. 8. PROFESSIONAL BOXING SAFETY ACT AMENDMENTS.**

2 (a) DEFINITIONS.—Section 2 of the Professional
3 Boxing Safety Act of 1996 (15 U.S.C. 6301), as amended
4 by section 5(c) of this Act, is amended by adding at the
5 end thereof the following:

6 “(12) SUSPENSION.—The term ‘suspension’ in-
7 cludes within its meaning the revocation of a boxing
8 license.”.

9 (b) STATE BOXING COMMISSION PROCEDURES.—
10 Section 7(a)(2) of such Act (15 U.S.C. 6306(a)(2)) is
11 amended—

12 (1) by striking “or” in subparagraph (C);

13 (2) by striking “documents.” at the end of sub-
14 paragraph (D) and inserting “documents; or”; and

15 (3) adding at the end thereof the following:

16 “(E) unsportsmanlike conduct or other in-
17 appropriate behavior inconsistent with generally
18 accepted methods of competition in a profes-
19 sional boxing match.”.

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